GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:345
ANSWERED ON:20.10.2008
DISTRIBUTION OF FOODGRAINS
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of demand, allocation and off-take of foodgrains and other goods including kerosene during the last three years, State-wise and year-wise;

(b) whether the allocation to some States including Gujarat and Orissa was less than their demand and the norms for allocation;

(c) if so, the details thereof and reasons therefor; and

(d) the remedial steps taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SH. KANTI LAL BHURIA)

(a), (b), (c) & (d): The commodity-wise details are as follows:

FOODGRAINS:

Allocation of foodgrains under the Targeted Public Distribution System (TPDS) is not based on demands made by the States/UTs, but on the accepted norms of allocation. Thus, allocation of foodgrains for the Below Poverty Line (BPL) families, including Antyodaya Anna Yojana (AAY) families, are made @ 35 kgs. per family per month on the basis of poverty estimates of the Planning Commission for 1993-94 projected on the population estimate of Registrar General of India as on 1.3.2000 or the number of families identified and ration cards issued by the State/UT Governments, whichever is less. However, allocations for Above Poverty Line (APL) category are made depending upon the availability of stocks of foodgrains in the Central Pool.

Further, keeping in view the declining stock position of wheat and rice in the Central Pool, a decision has been taken to rationalize wheat and rice allocations for the APL category under the TPDS from the Central Pool stocks, which has been implemented w.e.f. June, 2006 and April, 2007 respectively, by linking them to the offtake figures of the past three years i.e. 2003-04, 2004-05 and 2005-06. Further, in view of lower procurement of rice during 2006-07 and 2007-08 than the overall demand from various States, the allocation of rice for APL category for 2008-09 has been made on the basis of its average offtake during 2006-07 and 2007-08. The decision has been made uniformly applicable for all the States, including the States of Gujarat and Orissa but excluding J&K, A&N Islands, Lakshadweep, Himachal Pradesh and North Eastern States excluding Assam. However, allocations to BPL/AAY families have been maintained as per entitlement without any reduction to all the States/UTs including Gujarat and Orissa.

Considering the requests received from the State Governments/Union Territory Administrations, the Government has made the following allocations:-

(i) Adhoc/additional allocation of 17.65 lakh tons of wheat for APL category during the period from September 2006 to March 2008. Another adhoc/additional allocation of 1.22 lakh tons of wheat and 0.15 lakh tons of rice was made for festivals during 2007.

(ii) Adhoc/additional allocation of 9,52,500 tons of wheat and 1,18,000 tons of rice have been made under Above Poverty Line (APL) category during the current year (upto December 2008) to various States/UTs, against the requests received from the States/UTs.

(iii) Adhoc/additional allocations of 36000 tons of rice and 192000 tons of wheat at APL rate have been issued for festival season 2008 to various States/UTs.

State-wise details of the allocation and off-take of foodgrains (Rice & Wheat) during the last three years are at Annex-I A to I C.

SUGAR: The allocation is made on the basis of fixed State/UT quotas. Since the levy obligation has been reduced to 10% of the domestic production, w.e.f. 1.2.2001, the availability of sugar for levy allocation varies depending upon the levels of domestic production. As such, it has not been possible to supply levy sugar as per the fixed levy quota to each State/UT in the years of low production.

As regards Gujarat and Orissa, no reduction in the allocation of their monthly levy sugar quotas has been made.State-wise and year-

wise details of levy sugar allocation for the last three sugar years (October-September) is as per Annex-II. Information on actual lifting/offtake by the State/UT is not available.

KEROSENE: Allocation of PDS kerosene is made by the Government of India to the States/Union Territories (UTs) on a quarterly basis for distribution under Public Distribution System (PDS). Further distribution within the States/UTs through their PDS network is the responsibility of the concerned State/UT. The scale of distribution of PDS Kerosene (SKO) per card holder varies from State to State and is decided by the State Governments/UTs.

Government of India allocates Kerosene to the States/UTs under the Public Distribution System (PDS) on historical basis for the purpose of cooking and illumination only. In accordance with the policy adopted by the Government of India in 2000, Kerosene (SKO) allocation for distribution under the PDS was reduced every year beginning 2001-02 till 2003-04, taking into account the number of LPG connections released in each State/UT. While the initial allotment for 2004-05 was based on the criteria adopted hitherto, additional allocations were made during the year to meet urgent emergent demand. For the years 2005-06 to 2007-08, allocations have been maintained at the level of 2005-06, including additional allocations made during that year. Allocations for 1st, 2nd and 3rd Qtrs. of 2008-09 have also been maintained at the level of 2005-06. The details of allocation of PDS kerosene made to State/UTs and its lifting by them during the last three years are at Annex-III A&B.

In view of requests received from various State Governments for increasing the SKO allocation, the Government of India commissioned a detailed study of kerosene demand in the country, through the National Council of Applied Economic Research (NCAER) in December, 2004. NCAER submitted its report in October, 2005. NCAER has inter alia recommended restricting the supply of subsidized kerosene to BPL families only.

Further, in order to formulate a long-term pricing policy, the Government had constituted an Inter-Ministerial Committee under the Chairmanship of Dr. C.Rangarajan, Chairman, Economic Advisory Council to the Prime Minister to examine different aspects of pricing and taxation of petroleum products with a view to stabilizing/rationalizing their prices. The Committee submitted its report on 17.02.2006. The Committee has inter alia recommended to restrict the subsidy on kerosene to BPL families only. The Government has accepted the recommendations of Dr. Rangarajan Committee Report and has decided `in principle` that subsidy on PDS kerosene be limited to BPL families only.